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After-Sale Service
October 20, 2010



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Selling overseas

- The successful exporters makes it a priority to create systems:
 1. to respond to international firm inquiries
 2. Conduct research on foreign customers
 3. Differentiate between domestic and international sales
 4. Build positive relations with partners



Responding to Foreign Inquiries

- **FACT:** most small exporters take orders from abroad rather than engage in direct marketing.
- **Language capabilities:** Consider the need for translation services. Most, but not all, foreign letters, faxes, or emails of inquiry are in English. If your firm does not possess the language capabilities to handle inquiries in foreign languages, you may look to certain service providers for assistance in translating the letter of inquiry. Colleges and universities are an excellent source for translation services. Most large cities have commercial translators.
- **Due Diligence:** Know how to research a foreign company before conducting any formal business:
 - Business libraries, international banks, foreign embassies, private-sector sources of credit information and Commercial Service overseas offices.



Responding to Foreign Inquiries

- **Expects mistakes:** English will most likely be a second language for the person requesting product specifications, information and a price. Do not assume that lack of linguistic skills signifies that the potential buyer is not serious.
- *Suggestion:* Reply promptly, completely and clearly.
 - The reply should introduce your company and represent your firm as a reliable supplier. Your reply should also include your company's policy on exports (cost, payment terms and delivery). A pro forma invoice may also be an appropriate addendum.
- **Cultural awareness:** There is no single international business code. Here are some practices that transcend cultural barriers and may be helpful to your company:
 - Keep your promise to ship on a timely basis, particularly on 1st order.
 - Manners: Be overly polite and courteous. Avoid undue familiarity.
 - Personally sign all letters: Form letters are not acceptable.



Providing After-Sale Service

- QPS should be your company's mantra. We have addresses Quality and Price in earlier seminars. Service should be an integral part of your company's export strategy from the beginning.
 - Service can be a foundation for growth.
 - Ignored or left to chance, it can doom your company in a foreign market.
- Service can be defined as the timely delivery of a product that is supported by courteous and professional personnel.
 - Sometimes a user or service manual modified to meet your customer's needs; ready access to a service facility; dealer support; a knowledgeable distributor; cost-effective maintenance; repair or replacement is the foundation of an exporter's success.
- All foreign markets are sophisticated and each market has its own expectations of suppliers and vendors. Ensure that your service performance meets or exceeds your customer's expectations.



Service Delivery Options

- **REQUIRING THE BUYER TO RETURN THE PRODUCT**
 - High cost
 - Inconvenient for international markets
 - Unhappy customers and distributors
- **USING A LOCAL PARTNER**
 - Identify and use local service facilities.
 - Requires upfront expenses to identify support company and train staff:
 1. Assess ability and willingness of local firm to service product.
 2. Assess the types, models and age of existing service equipment.
 3. Assess training practices.
 4. Assess firm's experience in servicing similar products.
 - Negotiate the cost of providing service support into your joint venture or partnership agreement: explicit provisions on repairs, maintenance and warranty service.
 - Understand local laws regarding service and warranties.



Service Delivery Options

- If your company sells directly to end users in foreign markets, service and timely performance are critical to success.
 - The nature of your product may necessitate delivery of on-site services to the buyer within a very specific time frame.
 - The sales contract should anticipate a reasonable level of on-site service and should include associated costs.
 - You may need to establish a branch or subsidiary (could be one-person operation) with local nationals providing the support.
 1. This high cost option enables you to ensure sales and service quality on an ongoing basis.
 2. This option may provide the additional benefit of expanding your ability to serve multiple regional markets.
 - If you do not have local partners nor joint venture arrangements, you may have to take product back.
 - Not likely in a cash-in-advance or confirmed letter of credit scenario, but certainly the case in open-account or documentary collection transactions.



UPCOMING SEMINARS

- November 17 - Tutorial on How to Use the Automated Export Service (AES)
- No Seminar in December 2010



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